

## **REMARKS/ARGUMENTS**

The Office Action mailed on October 6, 2008 ("Office Action") has been reviewed, and in view of the following remarks, reconsideration and allowance of all of the claims pending in the application are respectfully requested. Claims 1-18 and 45-59 are pending. Claims 19-44 and 60-62 are canceled.

### **I. Claim Rejections under 35 U.S.C. § 103(a)**

Claims 1-18 and 45-59 are currently rejected under 35 U.S.C. § 103(a) as being allegedly unpatentable over Sarkis J. Khoury, *International Banking: A Special Look at Foreign Banks in the U.S.*, Vol. 10, No. 3 Journal of International Business Studies 36-52 (winter 1979). ("Khoury").<sup>1</sup>

#### **A. Khoury Fails to Teach or Suggest All of the Elements of the Claims**

Khoury appears to be directed to a "supply model which yields testable equations that explain the multinational character of the banking firm." *See* Khoury, pg 36. Furthermore, Khoury states that [for the purposes of the model] the "bank is viewed as a multiproduct firm whose balance sheet is made up of five types of imperfectly substitutable loans on the assets side and of a homogenous group of deposits and capital accounts on the liabilities side." Khoury, page 36.

Missing from the disclosure of Khoury is any discussion directed to the various embodiments of the claimed invention. More specifically, Khoury fails to disclose "a client bank subsystem established within the provider bank, [wherein] the client bank subsystem compris[es] a plurality of customer accounts corresponding to the plurality of customers of the client bank,"

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<sup>1</sup> Applicant notes that the rejection states claims 1-59 are rejected. *See* Office Action, page 2. As claims 19-44 and 60-62 were previously cancelled, Applicant deems their rejection moot and does not address the rejection of the cancelled claims in this response.

as recited in claim 1. The claimed architecture is simply missing from the disclosure of Khoury and the Office Action fails to address these missing claim limitations.

Additionally, claim 1 of the present application further recites:

a provider bank subsystem processor coupled to the client bank subsystem processor and coupled to a low value payment system in the particular country, the provider bank subsystem processor receiving the low value payment from the client bank subsystem processor and transmitting the low value payment to the low value payment system in the particular country, whereby the particular customer of the client bank can make the low value payment even though the client bank does not have direct access to the low value payment system in the particular country.

Khoury fails to teach or suggest any payment system. In contrast, Khoury is directed towards “develop[ing] a supply model which yields testable equations that explain the multinational character of the banking firm, the extent of a bank’s commitment overseas will be measured ... by the change in total loan assets booked by the overseas branch of the bank.” See Khoury, pg 36. Applicants note that the Examiner appears to rely on Khoury’s statements on page 39-40. Specifically Khoury states:

Consider a Japanese bank with a set of clients. As these clients become multinationals-open subsidiaries in the U.S. market, for example-the Japanese bank would be faced with the following options:  
(1) Service the Japanese subsidiaries in the U.S. from Japan with a U.S. bank acting as a correspondent bank (a transactions facilitator) with the following possible consequences: **Losing some of the subsidiaries’ business-deposits, small loans, and other banking business-to a U.S. bank.** The seriousness of such an outcome would depend on the size of this loss in relation to the cost of providing direct banking services through a branch office owned by the Japanese bank; or Losing the subsidiaries’ business to another Japanese bank contemplating or actually having a branch in the U.S.

Khoury, pages 39-40 (emphasis added). Thus, Khoury, at most, discloses using a correspondent bank for loans. Applicants respectfully submit that a correspondent bank fails to disclose “a client bank subsystem established within the provider bank, [wherein] the client bank subsystem compris[es] a plurality of customer accounts corresponding to the plurality of customers of the client bank,” as recited in claim 1.

Additionally, Khoury suggests that using a correspondent bank may have “the following possible consequences: Losing some of the subsidiaries’ business-deposits, small loans, and other banking business-to a U.S. bank.” Thus Khoury, teaches away from using a correspondent bank or a transaction facilitator. *See* Khoury, pages 39-40.

Furthermore, Khoury states that [for the purposes of the model] the “bank is viewed as a multiproduct firm whose balance sheet is made up of five types of imperfectly substitutable loans on the assets side and of a homogenous group of deposits and capital accounts on the liabilities side.” Khoury, page 36. Khoury fails to disclose any payment system. Clearly, the limited disclosure provided by Khoury fails to address each and every claim limitation recited by the claims.

**B. The Office Action Improperly Ignores Claims and Claim Limitations**

It is well understood that for a proper rejection, all claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 984-85 (C.C.P.A. 1974); *In re Wilson*, 424 F.2d 1382, 1385 (C.C.P.A. 1970) (“All words in a claim must be considered in judging the patentability of that claim against the prior art.”). Hence, the Office Action disregards the above precedent by ignoring the claims. Essentially, the Office Action performs a cursory review of independent claim 1 by making vague and insufficient reference to Khoury and further effectively ignores independent claim 45 and all dependent claim terms and limitations. The

Office Action's complete absence of any analysis concerning claims 2-18 and 45-59 falls far short of complying with the Patent Office's burden to set forth a proper 103 rejection.

The Office Action fails to identify the other claim limitations that are purportedly disclosed by Khoury and where specifically in Khoury such limitations may be found. Without this information, Applicants are forced to speculate, making preparation of a complete and proper response virtually impossible. Board precedent clearly favors overturning such vague and equivocal rejections. *See e.g., Ex parte Gambogi*, 62 U.S.P.Q.2d 1209, 1212 (Bd. Pat. App. & Inter. 2001) ("Rejection of claims in patent application ... must be vacated and remanded, since patent examiner has ... not indicated what that prior art would have meant to person of ordinary skill in the art, since examiner has not referred to specific portions of each of cited references, and since rejection therefore requires both Appellants and Board of Patent Appeals and Interferences to speculate ...").

Moreover, the Office Action is deficient because it asserts an inherency argument without providing the requisite supporting evidence. The Federal Circuit has stated that to establish inherency the extrinsic evidence must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill. *In re Robertson*, 169 F.3d 743, 745 (Fed. Cir. 1999). The Office Action neither identifies the missing descriptive matter nor asserts that it is necessarily present in the system described in Khoury. Indeed, there is no way of knowing which specific limitations are deemed inherent and which are deemed disclosed since the Office Action is silent on both counts. Presumably, Applicants must divine whether a particular limitation is disclosed or inherent. Such conclusory statements cannot be relied upon and must be overturned. *In re Lee*, 277 F.3d 1338, 1343-44 (Fed. Cir. 2002) (The PTO "board cannot rely on conclusory statements

when dealing with particular combinations of prior art and specific claims, but must set forth the rationale on which it relies.”).

Independent claim 45 and dependent claims 2-18 and 46-59 are believed to be patentable for at least the reasons stated above and further in view of the reasons stated below. Dependent claims 2-18 and 46-59 contain additional patentable limitations that have not been addressed by the Office Action. For a proper rejection under 35 U.S.C. § 103, the burden is upon the Office to show how the claims are unpatentable over the prior art. The Office has completely failed to do so here. As the burden has not been met, these claims are improperly rejected. For these reasons alone, the rejections should be reversed.

The Office Action provides a cursory rejection of all the limitations of these dependent claims 2-18 and 46-59 and fails to set forth a basis for rejection of each dependent claim. The Office is required to provide a basis for each and every claim limitation, as recognized in MPEP §§ 706.02(j) and 2143.03, and has failed to do so here. The Office has made no meaningful attempt whatsoever to properly address the pending claims. Nevertheless, Applicants maintain that the reference cited fails to provide any disclosure, motivation or suggestion related to the limitations of claims 2-18 and 46-59. The Office fails to provide any analysis to any of the many novel claim limitations of claims 2-18 and 46-59. As the disclosure of Khoury fails to disclose, teach or suggest the claimed combination of limitations of independent claims 1 and 45, dependent claims 2-18 and 46-59 are similarly not taught or suggested by the references relied upon in the Office Action.

The Office Action conveniently ignores the fact that the burden is upon the Office to establish a prima facie case of obvious for all pending claims. For at least these deficiencies alone, the rejections are improper and should be reversed.

**C. The Rejection of Dependent Claims 2-18 and 46-59 is Improper**

As the remaining dependent claims encompass the limitations of independent claims, these claims should be allowed for at least the reasons stated above. Furthermore, the rejection of the dependent claims is also improper procedurally as addressed below. For at least these reasons, Applicants respectfully submit that the rejections of the pending claims are improper and request that they be withdrawn. Additionally, these claims are separately patentable over the Khoury reference for at least the reasons stated below.

**1. The Office Has Not Addressed Dependent Claims 2-18 and 46-59**

MPEP 707.07(i) recites “[i]n every Office action, each pending claim should be mentioned by number, and its treatment or status given.” While Applicants recognize the claims stand rejected as obvious, the Office has failed to give any basis for these rejections. Clearly the text of the rejection as it stands fails to address elements recited in the dependent claims. Furthermore, these elements are not taught or suggested by Khoury.

**D. The Office Fails to Provide the Proper Analysis As Required by MPEP 706.02(j)**

**1. The Office Action fails to establish a prima facie case of obviousness**

The Office Action fails to establish a *prima facie* case of obviousness that the pending claims are unpatentable over Khoury. “During patent examination the PTO bears the initial burden of presenting a *prima facie* case of unpatentability.” *In re Glaug*, 283 F.3d 1135, 62 U.S.P.Q.2d 1151, 1152 (Fed. Cir. 2002). “If the PTO fails to meet this burden, then the applicant is entitled to the patent.” *Id.* “To support the conclusion that the claimed combination is directed to obvious subject matter, either the references must expressly or impliedly suggest the claimed combination or the examiner must present a convincing line of reasoning as to why the artisan

would have found the claimed invention to have been obvious in light of the teachings of the references.” *Ex parte Clapp*, 227 U.S.P.Q. 972, 973 (Bd. Pat. App. & Int. 1985).

The rejection of claims 1-18 and 45-59 under 35 U.S.C. §103(a) as being unpatentable over Khoury is not properly supported as required by MPEP 706.02(j) and thus fails to establish a prima facie case of obviousness. MPEP 706.02(j) states:

35 U.S.C. 103 authorizes a rejection where, to meet the claim, it is necessary to modify a single reference or to combine it with one or more other references. After indicating that the rejection is under 35 U.S.C. 103, the examiner should set forth in the Office action:

- (A) the relevant teachings of the prior art relied upon, preferably with reference to the relevant column or page number(s) and line number(s) where appropriate,
- (B) the difference or differences in the claim over the applied reference(s),
- (C) the proposed modification of the applied reference(s) necessary to arrive at the claimed subject matter, and
- (D) an explanation as to why the claimed invention would have been obvious to one of ordinary skill in the art at the time the invention was made.

Applicants respectfully submit that the Office Action is inadequate with reference to the required elements above. “The ‘prima facie case’ notion ... seemingly was intended to leave no doubt among examiners that they must state clearly and specifically any objections (the prima facie case) to patentability, and give the applicant fair opportunity to meet those objections with evidence and argument.” *In re Oetiker*, 977 F.2d 1443, 24 U.S.P.Q.2d 1443, 1447 (Fed. Cir. 1992)(Plager, J., concurring). The Office Action fails to rely on any relevant disclosure of Khoury. Moreover, the Office Action does not mention any differences in the claims over the applied references, any modifications of the applied reference necessary to arrive at the claimed subject matter, and the Office Action fails to provide an explanation as to why the claimed invention would have been obvious to one of ordinary skill in the art at the time the invention

was made. As the Office has not presented a *prima facie* case of unpatentability, Applicants are entitled to a patent.

**2. The Office Action Fails to Rely on Any Relevant Teaching of the Prior Art**

The Office Action makes no attempt to explain the relevance of any teachings of the applied references with regard to the claimed inventions. Rather, the rejection merely states that the reference teaches certain elements of the claimed invention and supports these statements with vague citations to the applied reference. "The pertinence of each reference, if not apparent, must be clearly explained." 37 C.F.R. § 1.104(c)(2). The mere citations to the applied reference do not present a convincing line of reasoning as to why an artisan would have found the claimed invention to have been obvious in light of the teachings of the applied reference. The Office Action merely repeats independent claim 1 with no explanation as to how the teaching of Khoury even applies to any element.

**3. The Office Fails To Identify The Differences Between the Claimed Inventions and the Disclosure of Khoury**

Inherent in a rejection under 35 U.S.C. 103 is the implication that "to meet the claim, it is necessary to modify a single reference or to combine it with one or more other references." *See* MPEP 706.02(j). The Office Action has summarily rejected all the pending claims under an obviousness rejection. By relying on a single reference for an obviousness rejection, the Office concedes that Khoury by itself fails to teach each and every claim limitation as recited by Applicants. However, in this case, the Office has failed to identify the differences between the claimed inventions and the disclosure of Khoury. Without the proper analysis, Applicants are not given a fair opportunity to properly address the alleged obviousness rejection.



#### **4. The Office Action Does Not Identify the Proposed Modification**

Also missing from the Office's analysis is a clear proposed modification to Khoury. The Office acknowledges that Khoury is deficient in meeting each and every claim limitation of Khoury. However, there is no discussion of how Khoury should be modified to meet the claimed inventions. As discussed above no deficiency of Khoury has been identified. Applicants note that the Office Action states "[f]rom the teachings of Khoury, it would have been obvious for one of ordinary skill in the art to conduct international banking operations and provide international infrastructure." Office Action, page 2. From this single statement, it would appear that the Office is proposing adding international banking operations and international infrastructure to Khoury. If that is the case, it suggests that Khoury fails to teach or suggest international banking operations and international infrastructure. However, without any guidance on the deficiencies of Khoury, this single statement is inadequate to enable a proper response.

Applicants submit that the disclosure of Khoury and the claimed inventions are directed to different endeavors. Specifically, the claimed inventions are directed to effectuating international banking transactions while Khoury is directed to "supply model which yields testable equations that explain the multinational character of the banking firm." See Khoury, page 36. Therefore, the Office Action's lack of any clear proposed modification supports the understanding that one skilled in the art would not have been motivated to modify Khoury because doing so would require a complete restructuring of the system of Khoury that would defeat its purpose.

## 5. The Office Action Fails To Provide A Statement of Motivation

Not only does the Office Action fail to articulate a clear proposed modification to Khoury, the Office Action does not provide a statement of motivation. Applicants note that the Office Action states “[s]uch a modification would be a obvious expedient to one of ordinary skill in the art.” Office Action, page 2. As addressed above, Applicants are not clear what the proposed modification is because no deficiency has been identified and because the wording is sparse and vague. Without identified deficiencies or clear modifications this single statement fails to provide a statement of motivation. Applicants are not clear what “a obvious expedient” refers to.

As stated in MPEP 2143, “[t]he key to supporting any rejection under 35 U.S.C. § 103 is the clear articulation of the reason(s) why the claimed invention would have been obvious.” Applicants respectfully submit the Office Action fails to articulate a reason why the claimed invention would have been obvious to one skilled in the art. As MPEP 2142 states:

The Supreme Court in *KSR International Co. v. Teleflex Inc.*, 550 U.S. \_\_\_, \_\_\_, 82 USPQ2d 1385, 1395-97 (2007) identified a number of rationales to support a conclusion of obviousness which are consistent with the proper ‘functional approach’ to the determination of obviousness as laid down in Graham. The key to supporting any rejection under 35 U.S.C. 103 is the clear articulation of the reason(s) why the claimed invention would have been obvious. **The Supreme Court in KSR noted that the analysis supporting a rejection under 35 U.S.C. 103 should be made explicit.**

MPEP 2142 (emphasis added). Applicants submit that the Office Action fails to present the analysis supporting a rejection under 35 U.S.C. 103.

“The Federal Circuit has stated that ‘rejections on obviousness cannot be sustained with mere conclusory statements; instead, there must be some articulated reasoning with some

rational underpinning to support the legal conclusion of obviousness.” MPEP 2142 (quoting *In re Kahn*, 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006)). See also *KSR*, 550 U.S. at \_\_\_, 82 USPQ2d at 1396 (quoting Federal Circuit statement with approval). In the current Office Action, Applicants are not challenging the insufficiency of a statement of motivation, but rather the complete absence of any statement of motivation whatsoever. No statement of motivation was provided as to why the present inventions would have been obvious. Accordingly, the rejection under 35 U.S.C. 103 is improper and Applicants respectfully request its withdrawal.

By applying Khoury under 35 U.S.C. § 103(a), the Office Action recognizes that there are deficiencies in the applied reference. However, the Office Action fails to identify the missing claim limitations of Khoury, propose a modification to Khoury, and makes no mention or any attempt to provide a statement of motivation, as required for a proper rejection under 35 U.S.C. § 103(a). As no motivation is provided by the Office Action, it can only be inferred that no motivation to modify Khoury exists nor would one skilled in the art have been motivated to modify Khoury to meet the combination of claim limitations set forth by Applicants. Therefore, the Office Action has clearly failed to meet its burden.

**CONCLUSION**

In view of the foregoing amendments and arguments, it is respectfully submitted that this application is now in condition for allowance. If the Examiner believes that prosecution and allowance of the application will be expedited through an interview, whether personal or telephonic, the Examiner is invited to telephone the undersigned with any suggestions leading to the favorable disposition of the application.

It is believed that no fees are due for filing this Response. However, the Director is hereby authorized to treat any current or future reply, requiring a petition for an extension of time for its timely submission as incorporating a petition for extension of time for the appropriate length of time. Applicants also authorize the Director to charge all required fees, fees under 37 C.F.R. §1.17, or all required extension of time fees, to the undersigned's Deposit Account No. 50-0206.

Respectfully submitted,

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Dated: Dec. 16, 2008

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